

# Louisiana's Practice of Medicine

*Delivery of care in the future*



**DEPARTMENT OF HEALTH**  
AND HOSPITALS

Bruce D. Greenstein  
Secretary

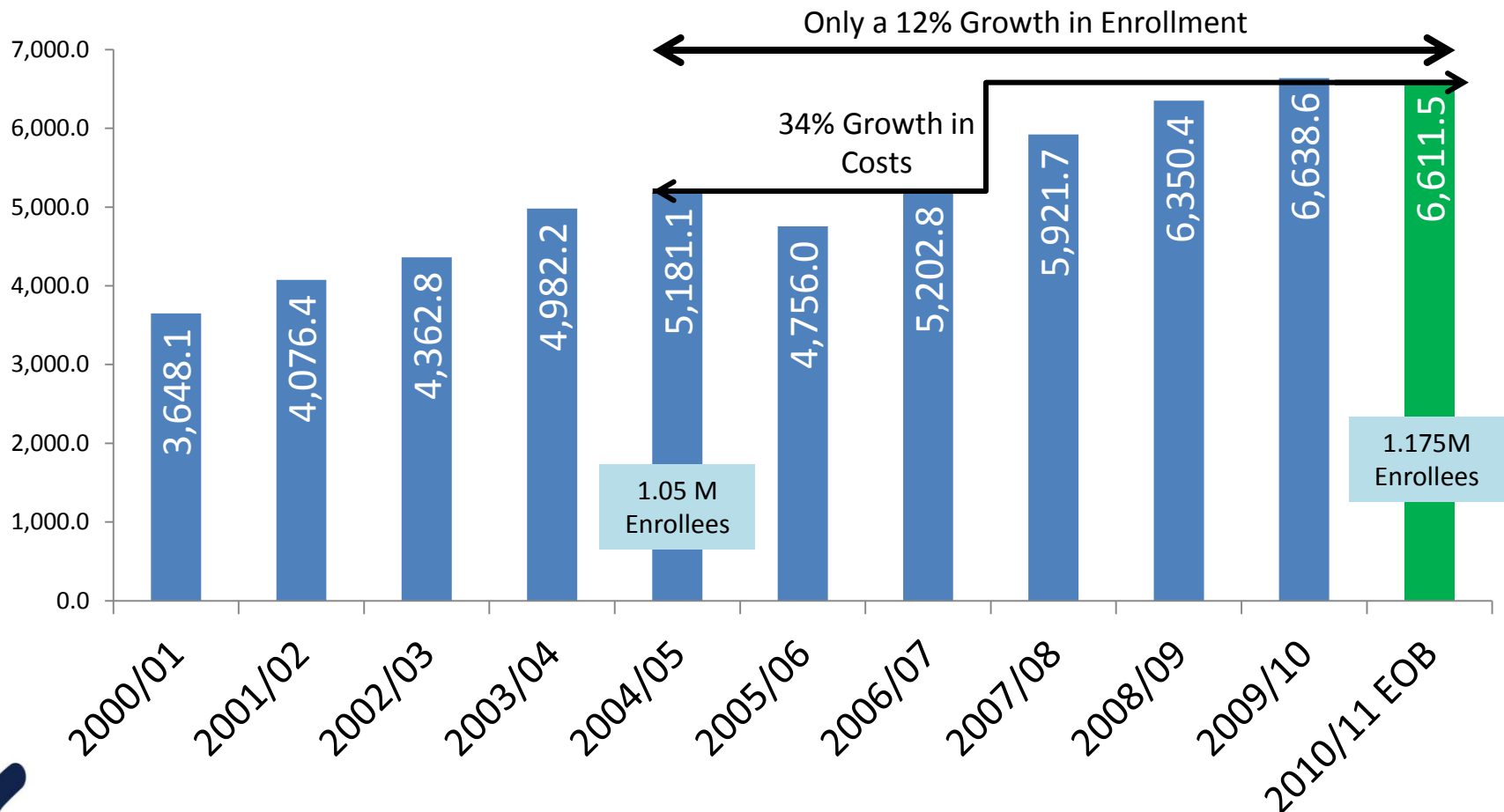
# DHH Top Priorities

- FY 2012 budget planning and implementation
- Building a smarter, more efficient agency
- Health Information Technology (HIT)
- Fighting Fraud and Abuse
- MMIS Procurement
- Impact of National Health Care Reform implementation
- Greater New Orleans Community Health Connections (GNOCHC) Waiver
- CommunityCare 2.0
- Coordinated System of Care (CSoc)
- Coordinated Care Networks (CCNs)



# La.'s Medicaid costs are growing

Louisiana Medicaid Expenditures (in millions)



# And demand will soon surge

## Louisiana's Estimated Enrollment Impact from Affordable Care Act for SFY's 2011-23

**In first year (2014) = 467K**  
**Overnight 40% Growth**



# Working with providers

- **Freeze** on rate cuts for remainder of fiscal year
- History of close collaboration with providers, with great examples of success:
  - HCBS advocates & providers
  - Dentists
  - Pharmacists
  - Doctors



# Today's Reality

The way we finance health care in Louisiana hasn't changed much since Medicaid was enacted in 1965.



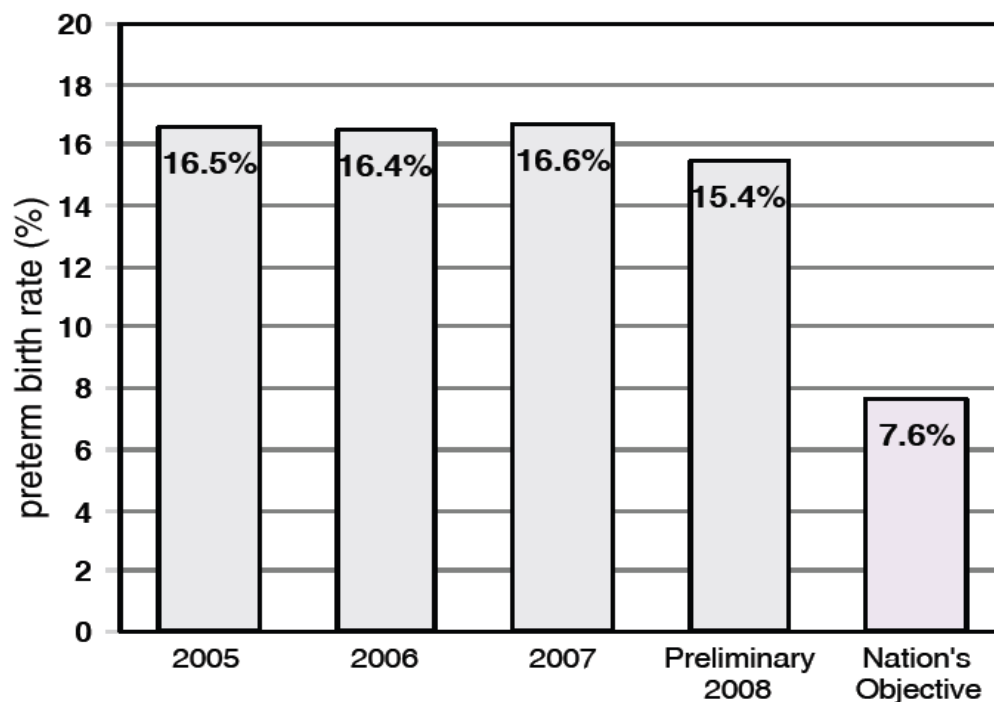


# Birth Outcomes



Grade for Louisiana  
Preterm Birth Rate: **15.4%**

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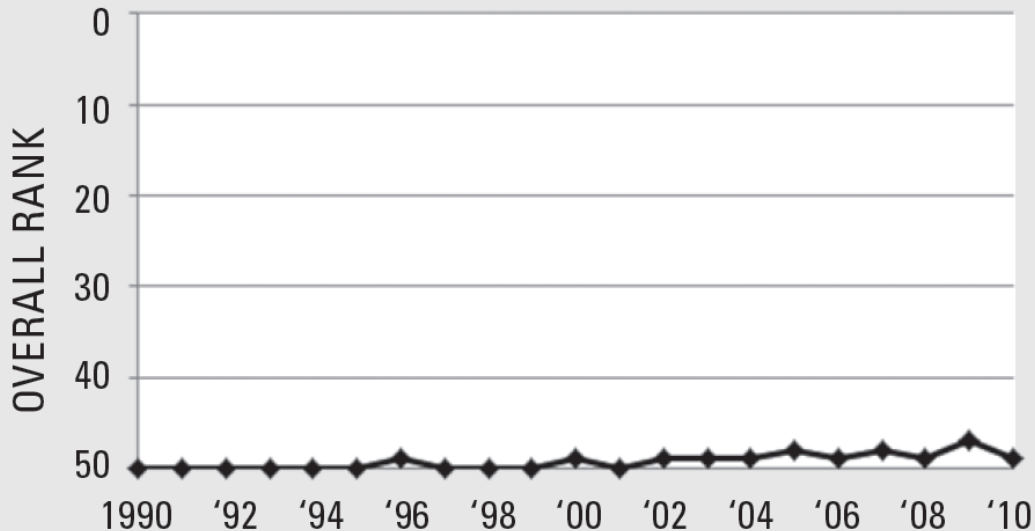


Since last year's Report Card, the preterm birth rate in Louisiana improved, but not enough to increase the grade.

# America's Health Rankings

## Overall Rank: 49

OVERALL RANK



### Challenges:

- High prevalence of obesity (33.9%)
- High incidence of infectious disease (23.8 cases/100,000 population)
- High rate of preventable hospitalizations (97.3 discharges / 1,000 Medicare enrollees)



And again.

49

The Annie E. Casey Foundation

# 2010 KIDS COUNT DATA BOOK

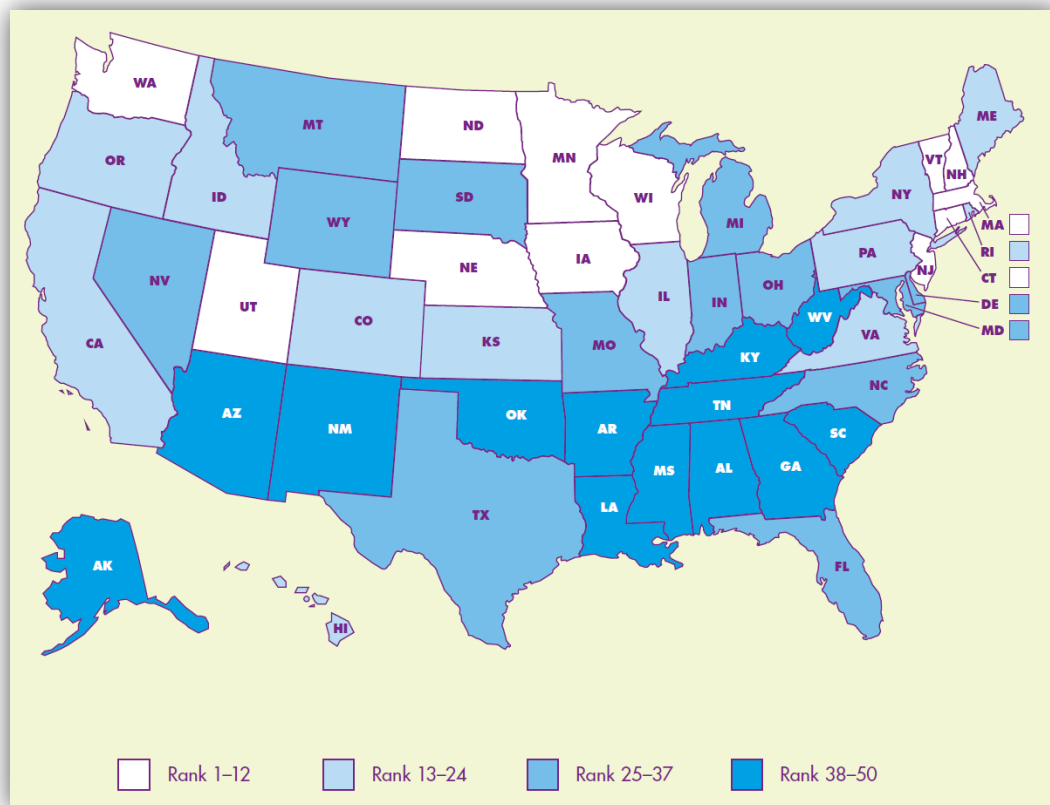
## Louisiana State Rank

Infant Mortality: 48

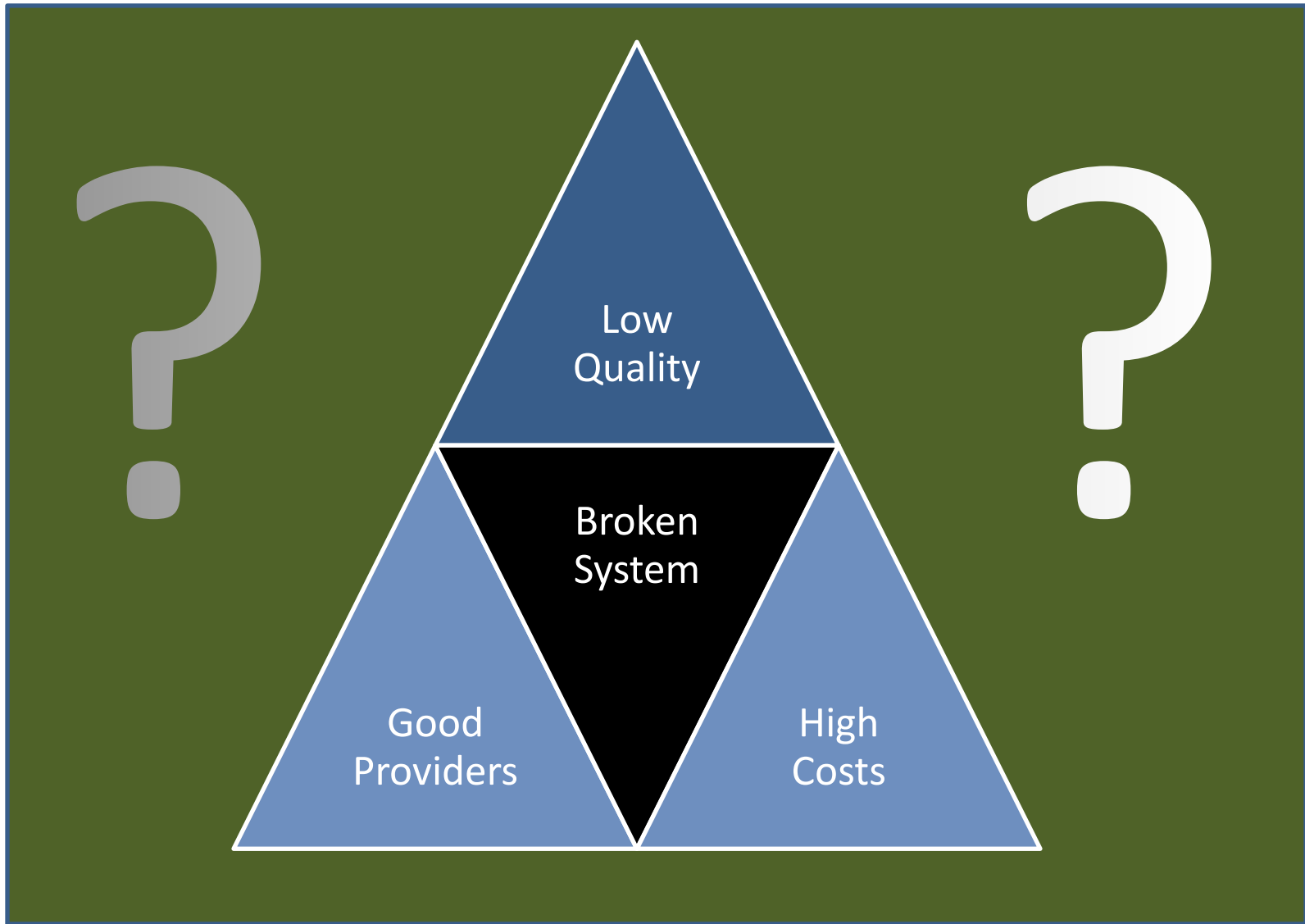
Low-birthweight babies: 49

Child death rate: 47

Children in poverty: 48



# The “Troubling Triangle”



# FOCUS on what we can FIX

- **Goal #1 of our reforms: Improve health outcomes**
  - Birth outcomes
    - Low-birthweight
    - Infant Mortality
  - Chronic disease
    - Cardiovascular
    - Diabetes
    - Cancer
  - Preventive medicine



# “Making Medicaid Better”

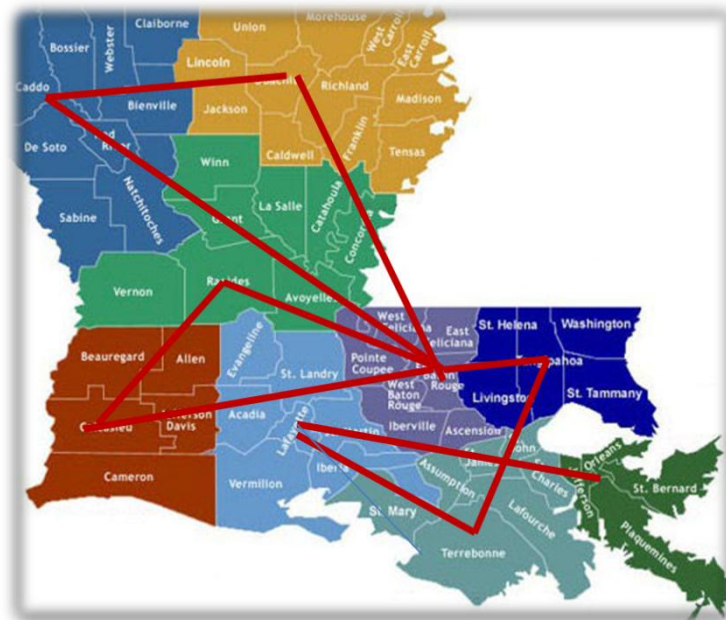
- Move from fee-for-service to Coordinated Care Networks (CCNs)
- Current system values quantity over quality
- CCNs reward value over volume
- **What we get:**
  - Better outcomes
  - Savings and budget predictability
  - Readiness for expansion
  - Payment reform – more rational incentives
  - Greater coordination of care



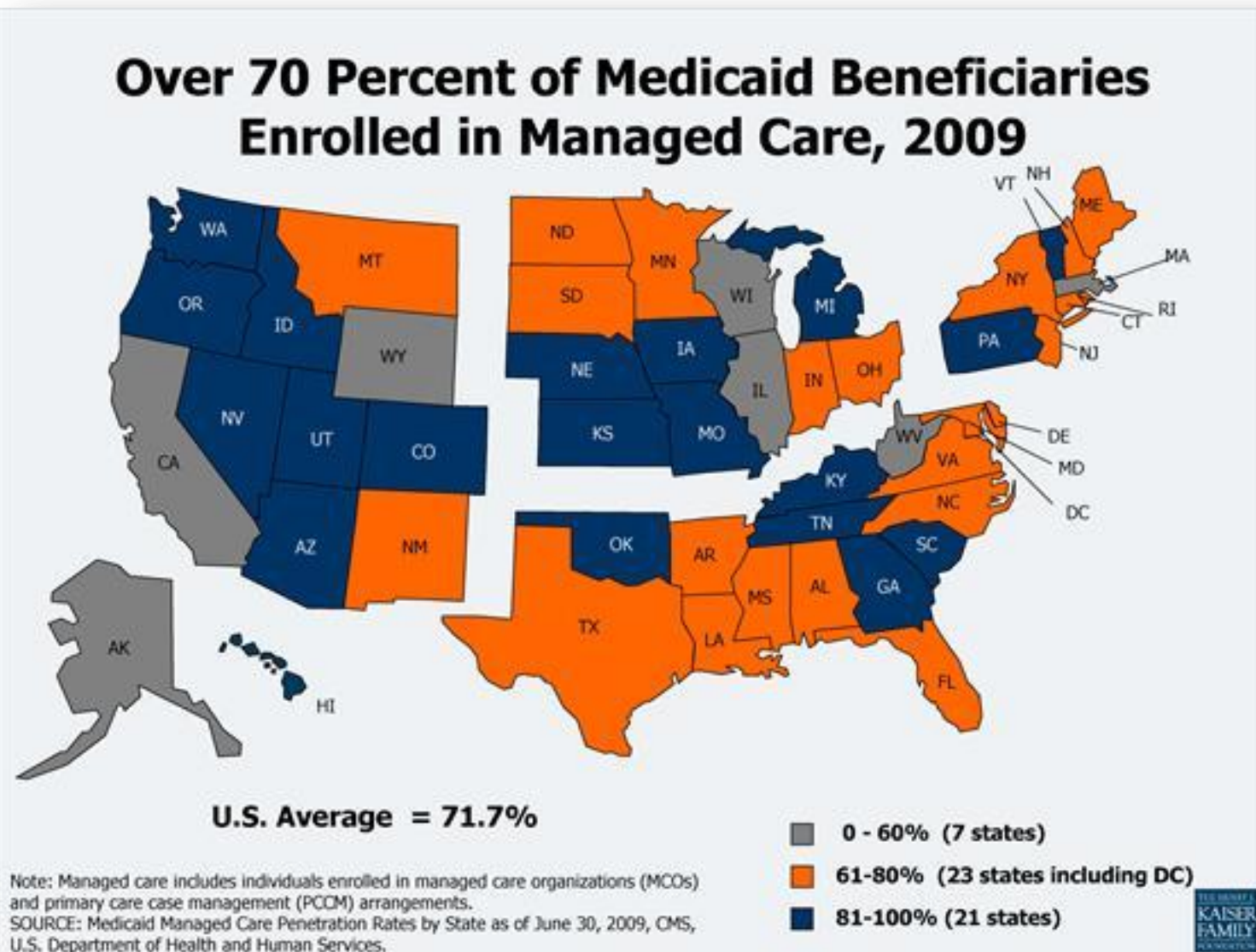
***CCNs are designed to break the predictable path and provide better health outcomes for Louisiana residents.***

# Collaboration is needed for success

- Numerous forums, meetings and legislative hearings
- Everywhere we went, witnessed pent-up frustration from a poor performing program



# We've learned from best practices





# What we changed

# What it does

**Medical Loss Ratio**



Ensures that the majority of dollars go toward providing health care

**Absolute Rate Floor**



Guarantees that providers are paid no less than the Medicaid rate

**Competitive  
Procurement**



Limits number of plans to a manageable amount; ensures best plans are selected

**Prompt Pay Rules**



Protects providers from cash flow problems

**Appeals  
Requirements**



Gives providers and enrollees consistent recourse from denied claims and payments

**GME Carve-Out**



Protects Graduate Medical Education from potential compromise.





# Questions & Answers